



February 28, 1996

Mr. Rory O'Rourke
Regional Operations Director
R.J. Reynolds
400 Raritan Center Parkway
Edison, New Jersey, NJ 08837

Dear Rory:

It was a pleasure speaking with you on Thursday, February 22 to discuss the idea of a "smokers lounge" at Newport Centre Mall in Jersey City, New Jersey.

Newport Centre is owned and managed by Simon Property Group which owns, develops, manages and acquires regional malls, community shopping centers and specialty and mixed-use properties throughout the United States. Simon currently owns or has an interest in 122 properties containing an aggregate of 62 million square feet of gross leaseable area. Together with its affiliated management company, Simon currently manages over 75 million square feet of GLA in retail or mixed use properties such as the Mall of America, The Fashion Centre at Pentagon City, The Forum Shops at Caesar's, Circle Centre in downtown Indianapolis, and Newport Centre.

For your review, I have enclosed the most recent Simon Property Group annual report, a brochure detailing Newport Centre, a videotape highlighting the mixed-use Newport development and a brief description of a "smoking lounge". The ideas described in the smoking lounge concept are only to stimulate a thought process. I would like to meet with you and your associates to better understand your corporate direction prior to preparing a complete proposal. I look forward to discussing this unique opportunity with you in greater detail.

Sincerely,

Ken Volk
Marketing Director